

House File 2391 - Introduced

HOUSE FILE 2391

BY KERR

A BILL FOR

1 An Act establishing an exemption for certain agricultural
2 property based on levee and drainage district assessments.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, Code 2022, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 42. *Certain agricultural property located in*
4 *a levee and drainage district.* For assessment years beginning
5 on or after January 1, 2023, a portion of the actual value
6 of agricultural property, as determined on the basis of
7 productivity and net earning capacity as determined under
8 section 441.21, subsection 1, paragraph "e", located in a
9 levee and drainage district under chapter 468, if the district
10 is adjacent to both the Mississippi river and the Iowa river
11 and consists of at least thirty-five thousand acres. The
12 exemption on such agricultural property shall be allowed if the
13 property's per-acre levee and drainage district taxes assessed
14 under chapter 468 exceed the applicable county's per-acre
15 five-year average levee and drainage district tax amount. The
16 amount of the exemption shall be an amount equal to the number
17 of acres comprising the property multiplied by the quotient of
18 the amount by which the property's per-acre levee and drainage
19 district taxes exceed the county's per-acre five-year average
20 tax amount divided by seven percent. However, in no case shall
21 the amount of the exemption under this subsection exceed fifty
22 percent of the actual value of the property.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 Code section 441.21 provides that the actual value of
27 agricultural property shall be determined on the basis
28 of productivity and net earning capacity of the property
29 determined on the basis of its use for agricultural purposes
30 capitalized at a rate of 7 percent and applied uniformly among
31 counties and among classes of property.

32 Under this bill, for assessment years beginning on or after
33 January 1, 2023, a portion of the actual value of agricultural
34 property located in a levee and drainage district that is
35 located adjacent to both the Mississippi river and the Iowa

1 river and consists of at least 35,000 acres shall be exempt
2 from taxation. The exemption on such agricultural property
3 shall be allowed if the property's per-acre levee and drainage
4 district taxes assessed exceed the applicable county's per-acre
5 five-year average levee and drainage district tax amount. The
6 amount of the exemption shall be an amount equal to the number
7 of acres comprising the property multiplied by the quotient of
8 the amount by which the property's per-acre levee and drainage
9 district taxes exceed the county's per-acre five-year average
10 tax amount divided by 7 percent. However, in no case shall the
11 amount of the exemption exceed 50 percent of the actual value
12 of the property.